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Agenda item 118

Review of the efficiency of the administrative and financial functioning of the United Nations

Report of the Fifth Committee

Rapporteur: Mr. Jan Piotr **Jaremczuk** (Poland)

I. Introduction

1. The previous recommendations made by the Fifth Committee to the General Assembly under agenda item 118 appear in the reports of the Committee contained in documents A/54/511 and Add.1.

2. The Fifth Committee resumed its consideration of the item at its 52nd, 53rd and 58th meetings, on 17, 21 and 31 March 2000. Statements and observations made in the course of the Committee's consideration of the item are reflected in the relevant summary records (A/C.5/54/SR.52, 53 and 58).

3. In addition to the documents listed in A/54/511 and Add.1, the Committee had before it the following documents:

Reports of the Office of Internal Oversight Services

(a) Notes by the Secretary-General transmitting the report of the Office of Internal Oversight Services on the review of the programme and administrative practices of the secretariat of the International Trade Centre UNCTAD/WTO (A/51/933) and the comments of the Joint Inspection Unit thereon (A/52/575);

(b) Notes by the Secretary-General transmitting the report of the Office of Internal Oversight Services on the investigation into the alleged conflict of interest in the United Nations Centre for Human Settlements (Habitat) (A/52/339) and the comments of the Joint Inspection Unit thereon (A/52/339/Add.1);

(c) Note by the Secretary-General transmitting the report of the Office of Internal Oversight Services on the audits of the regional commissions (A/52/776);

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(d) Note by the Secretary-General transmitting the report of the Office of Internal Oversight Services on the review of programme management in the Crime Prevention and Criminal Justice Division (A/52/777);

(e) Note by the Secretary-General transmitting the report of the Office of Internal Oversight Services on the audit of the second United Nations Conference on Human Settlements (A/52/821);

(f) Note by the Secretary-General transmitting the report of the Office of Internal Oversight Services on the review of the procurement of Lysol by the Office of the United Nations High Commissioner for Refugees (A/52/887);

(g) Note by the Secretary-General transmitting the report of the Office of Internal Oversight Services on the inquiry into allegations of insufficient use of expertise in procurement planning of aviation services in peacekeeping missions (A/52/1010);

(h) Note by the Secretary-General transmitting the report of the Office of Internal Oversight Services on the audit of the commercial insurance programmes (A/52/1020);

(i) Note by the Secretary-General transmitting the report of the Office of Internal Oversight Services on the audit of the United Nations health insurance programme (A/53/467);

(j) Note by the Secretary-General transmitting the report of the Office of Internal Oversight Services on the investigation into allegations of theft of funds by a staff member of the United Nations Conference on Trade and Development (A/53/811);

(k) Notes by the Secretary-General transmitting the report of the Office of Internal Oversight Services on the review of common services in the United Nations (A/54/157) and the comments of the Joint Inspection Unit thereon (A/54/157/Add.1);

(l) Notes by the Secretary-General transmitting the report of the Office of Internal Oversight Services on the review of the Office for the Coordination of Humanitarian Affairs (A/54/334) and the comments of the Joint Inspection Unit thereon (A/54/334/Add.1);

(m) Note by the Secretary-General transmitting the report of the Office of Internal Oversight Services on the investigation into the field office in Lebanon of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (A/54/367);

(n) Note by the Secretary-General transmitting the report of the Office of Internal Oversight Services on the management audit of the conference centres at the Economic Commission for Africa and the Economic and Social Commission for Asia and the Pacific (A/54/410);

(o) Note by the Secretary-General transmitting the report of the Office of Internal Oversight Services on the investigation into allegations concerning an electronic commerce project at the United Nations Conference on Trade and Development (A/54/413);

Reports of the Joint Inspection Unit

(p) Notes by the Secretary-General transmitting the report of the Joint Inspection Unit entitled "United Nations system common services at Geneva, part I, Overview of administrative cooperation and coordination" (A/53/787) and his comments and those of the Administrative Committee on Coordination thereon (A/54/635);

(q) Notes by the Secretary-General transmitting the report of the Joint Inspection Unit entitled "Review of the Administrative Committee on Coordination and its machinery" (A/54/288) and his comments and those of the Administrative Committee on Coordination thereon (A/54/288/Add.1);

Strengthening of external oversight mechanisms

(r) Note by the Secretary-General transmitting the comments of the Board of Auditors on the implications of extending the term of office of members of the Board (A/49/368 and Corr.1);

(s) Note by the Secretary-General transmitting the views of the Board of Auditors on improving oversight functions (A/49/471 and Corr.1);

(t) Report of the Secretary-General on the review of the efficiency of the administrative and financial functioning of the United Nations (A/49/633);

(u) Note by the Secretary-General transmitting a note by the Joint Inspection Unit containing its updated and additional views on the strengthening of external oversight mechanisms (A/51/674);

(v) Notes by the Secretary-General transmitting the report of the Joint Inspection Unit entitled "More coherence for enhanced oversight in the United Nations system" (A/53/171) and the comments of the Administrative Committee on Coordination thereon (A/53/171/Add.1);

(w) Report of the Advisory Committee on Administrative and Budgetary Questions on more coherence for enhanced oversight in the United Nations system (A/53/670);

(x) Report of the Committee for Programme and Coordination on the work of its thirty-ninth session;[1]

Outsourcing practices in the United Nations

(y) Note by the Secretary-General transmitting the report of the Office of Internal Oversight Services on the review of outsourcing practices at the United Nations (A/51/804);

(z) Notes by the Secretary-General transmitting the report of the Joint Inspection Unit entitled "The challenge of outsourcing for the United Nations system" (A/52/338) and the comments of the Administrative Committee on Coordination thereon (A/52/338/Add.1);

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[1] *Official Records of the General Assembly, Fifty-fourth Session, Supplement No. 16* (A/54/16).

(aa) Report of the Secretary-General on outsourcing practices in the United Nations (A/53/818);

(bb) Report of the Advisory Committee on Administrative and Budgetary Questions (A/53/942);

Definition of exigency needs

(cc) Report of the Secretary-General on procurement reform: definition of exigency needs (A/54/650);[2]

Improving the working methods of the Fifth Committee

(dd) Proposals submitted by the Chairman on improving the working methods of the Fifth Committee (A/C.5/52/L.58).

II. Consideration of proposals

A. Draft resolution A/C.5/54/L.44

4. At the 58th meeting, on 31 March, the representative of Poland, Rapporteur of the Committee and coordinator of informal consultations on this question, on behalf of the Chairman, introduced a draft resolution entitled "Reports of the Joint Inspection Unit" (A/C.5/54/L.44).

5. At the same meeting, the Committee adopted draft resolution A/C.5/54/L.44 without a vote (see para. 17, draft resolution I).

B. Draft resolution A/C.5/54/L.48

6. At the 58th meeting, on 31 March, the representative of the Netherlands, and coordinator of informal consultations on this question, on behalf of the Chairman, introduced a draft resolution entitled "Outsourcing practices in the United Nations" (A/C.5/54/L.48).

7. At the same meeting, the Committee adopted draft resolution A/C.5/54/L.48 without a vote (see para. 17, draft resolution II).

C. Draft resolution A/C.5/54/L.55

8. At the 58th meeting, on 31 March, the representative of Belgium and coordinator of informal consultations on this question, on behalf of the Chairman, introduced a draft resolution entitled "Reports of the Office of Internal Oversight Services" (A/C.5/54/L.55).

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[2] A statement relating to the report of the Secretary-General (A/54/650) was made by the Chairman of the Advisory Committee on Administrative and Budgetary Questions at the 53rd meeting of the Fifth Committee, on 21 March (see A/C.5/54/SR.53).

9. At the same meeting, the Committee adopted draft resolution A/C.5/54/L.55 without a vote (see para. 17, draft resolution III).

10. Following the adoption of the draft resolution, the representative of Cuba made a statement (see A/C.5/54/SR.58).

D. Draft decision A/C.5/54/L.43

11. At the 58th meeting, on 31 March, the representative of the Netherlands and coordinator of informal consultations on this question, on behalf of the Chairman, introduced a draft decision entitled "Procurement reform: definition of exigency needs" (A/C.5/54/L.43).

12. At the same meeting, the Committee adopted draft decision A/C.5/54/L.43 without a vote (see para. 18, draft decision I).

E. Draft decision A/C.5/54/L.50

13. At the 58th meeting, on 31 March, following informal consultations, the Chairman introduced a draft decision entitled "Strengthening of external oversight mechanisms" (A/C.5/54/L.50), consultations on which had been coordinated on behalf of the Chairman by the representative of Zimbabwe.

14. At the same meeting, the Committee adopted draft decision A/C.5/54/L.50 without a vote (see para. 18, draft decision II).

15. Following the adoption of the draft decision, the representative of Cuba made a statement (see A/C.5/54/SR.58).

F. Consideration of a draft decision proposed by the Chairman

16. At its 58th meeting, on 31 March, having heard a statement by the Chairman and on the proposal of the Chairman, the Committee decided, without a vote, to recommend to the General Assembly that it defer consideration of the question of improving the working methods of the Fifth Committee until the second part of its resumed fifty-fourth session (see para. 18, draft decision III).

III. Recommendations of the Fifth Committee

17. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolutions:

Draft resolution I
Reports of the Joint Inspection Unit

The General Assembly,

Recalling Economic and Social Council resolution 1999/66 of 16 December 1999 on the report of the Joint Inspection Unit on the review of the Administrative Committee on Coordination and its machinery,

Having considered the report of the Joint Inspection Unit entitled "Review of the Administrative Committee on Coordination and its machinery"[3] and the comments of the Secretary-General and the Administrative Committee on Coordination thereon,[4]

Having also considered the report of the Joint Inspection Unit entitled "United Nations system common services at Geneva, part I, Overview of administrative cooperation and coordination"[5] and the comments of the Secretary-General and the Administrative Committee on Coordination thereon,[6] and the report of the Office of Internal Oversight Services on the review of common services in the United Nations, [7]

1. *Takes note* of the report of the Joint Inspection Unit entitled "Review of the Administrative Committee on Coordination and its machinery"[3] and the comments of the Secretary-General and the Administrative Committee on Coordination thereon, with the exception of paragraph 42;[4]

2. *Endorses* the recommendations of the Unit contained in its report entitled "United Nations system common services at Geneva, part I, Overview of administrative cooperation and coordination"[5] and the comments of the Secretary-General and the Administrative Committee on Coordination thereon;[6]

3. *Stresses* that pursuit of common services at Geneva should be one of many tools available to organizations and managers to obtain goods and services in the most efficient and effective manner;

4. *Invites* the Unit to continue to examine common services at other duty stations where the United Nations system offices and agencies are established, where feasible, and to report thereon to the General Assembly;

5. *Stresses* the importance for the Unit to use the most recent data available in its reports and, in this regard, calls upon the Secretary-General and the executive heads of the organizations of the United Nations system to provide timely data to the Unit;

6. *Calls upon* the Secretary-General, in coordination with the Unit, to ensure the timely issuance of the reports of the Joint Inspection Unit and the related comments of the Secretary-General and the Administrative Committee on Coordination, in order to enable the General Assembly and all the governing bodies to take prompt action on them;

7. *Encourages* the Secretary-General and the Administrative Committee on Coordination to take concrete steps to enhance common services, and invites legislative organs of other organizations to take similar action on the basis of the present resolution;

8. *Requests* the Unit to continue to improve its reports consistent with the requirements of its follow-up system approved by the General Assembly in

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[3] A/54/288.
[4] A/54/288/Add.1.
[5] A/53/787.
[6] A/54/635.
[7] A/54/157.

resolution 54/16 of 29 October 1999, in particular the provisions of paragraph 4 of annex I to its annual report for the period from 1 July 1996 to 30 June 1997;[8]

9. *Requests* the Secretary-General to report to the General Assembly at its fifty-sixth session on the measures taken in connection with paragraph 7 above.

Draft resolution II
Outsourcing practices in the United Nations

The General Assembly,

Having considered the report of the Office of Internal Oversight Services on the review of outsourcing practices at the United Nations,[9] the report of the Joint Inspection Unit entitled "The challenge of outsourcing for the United Nations system"[10] and the comments of the Administrative Committee on Coordination thereon,[11] and the report of the Secretary-General on outsourcing practices in the United Nations[12] and the related report of the Advisory Committee on Administrative and Budgetary Questions,[13]

1. *Requests* the Secretary-General to ensure that programme managers are guided by the basic reasons for outsourcing, as indicated in paragraph 4 of his report,[12] and the goals, as indicated in paragraph 13 of the report;

2. *Endorses* the United Nations guidelines on outsourcing set out in the report of the Secretary-General,[12] pending consideration of the report requested in paragraph 3 below;

3. *Requests* the Secretary-General to define, in a more detailed way and with justification, the criteria for decisions on which activities and services should or should not be outsourced, and to report thereon to the General Assembly at its fifty-fifth session.

Draft resolution III
Reports of the Office of Internal Oversight Services

The General Assembly,

Recalling its resolutions 48/218 B of 29 July 1994 and 54/244 of 23 December 1999,

1. *Takes note* of the following reports:

(a) Report of the Office of Internal Oversight Services on the audit of the commercial insurance programmes;[14]

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[8] *Official Records of the General Assembly, Fifty-second Session, Supplement No. 34* (A/52/34).
[9] A/51/804.
[10] A/52/338.
[11] A/52/338/Add.1.
[12] A/53/818.
[13] A/53/942.
[14] A/52/1020.

(b) Report of the Office of Internal Oversight Services on the audits of the regional commissions;[15]

(c) Report of the Office of Internal Oversight Services on the audit of the second United Nations Conference on Human Settlements;[16]

(d) Report of the Office of Internal Oversight Services on the audit of the United Nations health insurance programme;[17]

(e) Report of the Office of Internal Oversight Services on the investigation into allegations of theft of funds by a staff member of the United Nations Conference on Trade and Development;[18]

(f) Report of the Office of Internal Oversight Services on the review of common services in the United Nations[19] and the comments of the Joint Inspection Unit thereon;[20]

(g) Report of the Office of Internal Oversight Services on the investigation into the field office in Lebanon of the United Nations Relief and Works Agency for Palestine Refugees in the Near East;[21]

(h) Report of the Office of Internal Oversight Services on the management audit of the conference centres at the Economic Commission for Africa and the Economic and Social Commission for Asia and the Pacific;[22]

(i) Report of the Office of Internal Oversight Services on the investigation into allegations concerning an electronic commerce project at the United Nations Conference on Trade and Development;[23]

(j) Report of the Office of Internal Oversight Services on the review of the procurement of Lysol by the Office of the United Nations High Commissioner for Refugees;[24]

(k) Report of the Office of Internal Oversight Services on the inquiry into allegations of insufficient use of expertise in procurement planning of aviation services in peacekeeping missions;[25]

2. *Takes note also* of the report of the Office of Internal Oversight Services on the review of the Office for the Coordination of Humanitarian Affairs[26] and the comments of the Joint Inspection Unit thereon;[27]

3. *Requests* that, in future, the appropriate legislative mandates relating to the work of the Office for the Coordination of Humanitarian Affairs be included in

[15] A/52/776.
[16] A/52/821.
[17] A/53/467.
[18] A/53/811.
[19] A/54/157.
[20] A/54/157/Add.1.
[21] A/54/367.
[22] A/54/410.
[23] A/54/413.
[24] A/52/887.
[25] A/52/1010.
[26] A/54/334.
[27] A/54/334/Add.1.

the reports of the Office of Internal Oversight Services, and also requests that the appropriate legislative mandates also be included in other future published reports of the Office of Internal Oversight Services;

4. *Takes note* of the report of the Office of Internal Oversight Services on the review of the programme and administrative practices of the secretariat of the International Trade Centre UNCTAD/WTO[28] and the comments of the Joint Inspection Unit thereon,[29] reaffirming that the merging of the United Nations Conference on Trade and Development and the International Trade Centre has not been approved by the pertinent legislative bodies;

5. *Takes note also* of the report of the Office of Internal Oversight Services on the review of programme management in the Crime Prevention and Criminal Justice Division,[30] reaffirming that the discontinuation of mandates on crime prevention and criminal justice is within the prerogative of the pertinent legislative bodies;

6. *Takes note further* of the report of the Office of Internal Oversight Services on the investigation into the alleged conflict of interest in the United Nations Centre for Human Settlements (Habitat)[31] and the comments of the Joint Inspection Unit thereon,[32] reaffirming that the approval of amendments to the Staff Regulations and the ratification of amendments to the Staff Rules are the prerogative of Member States.

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18. The Committee also recommends to the General Assembly the adoption of the following draft decisions:

Draft decision I
Procurement reform: definition of exigency needs

The General Assembly endorses the definition of exigency needs as contained in the annex to the report of the Secretary-General,[33] with the insertion of the words "or management" between the words "poor planning" and the words "or from concerns".

Draft decision II
Strengthening of external oversight mechanisms

The General Assembly takes note of the following documents:

(a) Report of the Secretary-General on the review of the efficiency of the administrative and financial functioning of the United Nations;[34]

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[28] A/51/933.
[29] A/52/575.
[30] A/52/777.
[31] A/52/339.
[32] A/52/339/Add.1.
[33] A/54/650.
[34] A/49/633.

(b) Note by the Secretary-General transmitting the comments of the Board of Auditors on the implications of extending the term of office of members of the Board[35] and the comments of the Advisory Committee on Administrative and Budgetary Questions thereon;[36]

(c) Note by the Secretary-General transmitting the views of the Board of Auditors on improving oversight functions;[37]

(d) Note by the Joint Inspection Unit containing its updated and additional views on the strengthening of external oversight mechanisms.[38]

Draft decision III
Improving the working methods of the Fifth Committee

The General Assembly decides to defer consideration of the question of improving the working methods of the Fifth Committee until the second part of its resumed fifty-fourth session.

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[35] A/49/368 and Corr.1.
[36] A/49/547, paras. 14-20.
[37] A/49/471 and Corr.1.
[38] A/51/674.